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WORLD SUGAR PRODUCTION ESTIMATE REVISED UPWARD TO 86.6 MILLION TONS

Summary

World sugar output in 1976/77 has been revised upward to 86.6 million metric tons, 1.0 million tons above the March estimate of 85.6 million tons. This makes the current year's production nearly 4 million tons above consumption, which is placed at 82.8 million tons. Stocks at the end of the current season will be up accordingly.

Plantings for the 1977/78 beet crop are down by 12 percent in the United States and by an estimated 1 percent in Europe—a reflection of low world sugar prices. Beet area is up slightly in Eastern Europe, but is more than offset by smaller area in Western Europe.

In 1976/77, both cane and beet sugar production increased from year-earlier levels—cane sugar by 3.2 million tons and beet sugar by 1.4 million tons. World cane sugar output of 53.0 million tons is 61 percent of total production in 1976/77. Beet sugar output of 33.6 million tons accounts for the remainder.

The largest increases in the current estimate for 1976/77 over that made in March are in West Germany and Spain, where final data indicate better-than-expected yields, and in several Asian countries. The USSR's outturn was adjusted downward from 7.5 million tons to 7.35 million tons.

The Geneva conference of the negotiations for a new International Sugar Agreement (ISA) ended with a number of key issues unresolved. Further work on these issues was to take place in London during July. A new ISA would cover the 15-17 million tons of free-market sugar that enters world trade annually. The United States could be a member of any new agreement that would be aimed at stabilizing the price of sugar within a still-to-be-determined range. The view of the United States is that the floor price should be protected by export quotas and stocks held by exporters that would be released when prices threatened to exceed or exceeded the upper end of the range.

World noncentrifugal sugar output changed little in 1976/77 from that of a year earlier. World output rose by 193,000 tons, with the largest increase in Colombia. Production fell slightly in India.

Industrial molasses production is up by over 2 million tons from the year-earlier level. The largest increases are in Brazil, India, and Thailand, while output is down in the United States, France, and the Philippines.

NORTH AMERICA

Belize. Output recovered well in 1976/77 from the drought-reduced outturn of 1975/76. Exports also are expected to increase in 1976/77 to almost 90,000 tons. Consumption is rising slowly, as is population.

Canada. Imports in 1976/77 are running slightly behind those of a year earlier and are now estimated at 1.0 million tons. Most of the decrease is accounted for by reduced refined sugar imports. However, production is up in 1976/77 and consumption will increase slightly. Exports are expected to amount to about 100,000 tons of refined sugar.

Cuba. Production in 1976/77 is still placed at 5.8 million tons, compared with 6.2 million tons a year earlier. Alternating drought and very wet conditions may necessitate lowering the estimate for 1976/77 at a later date. In 1976, some 1.4 million tons was exported to non-Communist destinations. Exports to the USSR amounted to a reported 3.0 million tons. The Government recently announced that 35 percent of Cuba's cane is now being cut by mechanical harvesting machines.

Dominican Republic. Output increased about 10 percent in 1976/77 over the year-earlier level as both area and yields were up. The extraction rate decreased in 1976/77, but not enough to offset the larger cane output. In 1977/78, production is expected to increase still further, prompted by an expansion in harvested area, better cane yields, and a higher extraction rate. Exports in 1977 could reach 1.2 million tons, a record.

Guatemala. Although sugarcane area increased in 1976/77, poor weather reduced yields. Because of expanded capacity, the campaign was expected to be considerably shorter in 1976/77 than a year earlier. A much larger proportion of the cane was burned this year for various reasons. Assuming more normal weather in 1977/78, the outlook is for larger output, possibly as much as 20 percent over the 1976/77 level.

Mexico. Sugar production failed to increase in 1976/77 for the third year in a row. Prices paid cane growers were raised somewhat in October 1975, but this increase has not yet resulted in increasing harvested area because of the time needed to mature cane. At the same time, prices paid to mills have not been raised enough to encourage sugar production. Also, since the devaluation in late 1976, costs have increased rapidly. During 1977, the apparent import requirement is for around 50,000 tons of refined sugar. In 1977/78, however, production is expected to meet consumption. It is expected that a surplus will be available for export in the following year. The present annual processing capacity is a reported 3.2 million tons.

Panama. The 1976/77 outturn has been revised upward from the March estimate of 137,000 tons to a current estimate of 181,000 tons, mainly because of the beginning of grinding by three new mills. This expansion is expected to result in an exportable surplus of about 120,000 tons. The forecast for 1977/78 is for an output increase of about 25 percent over the 1976/77 total.

Trinidad and Tobago. The production estimate has been revised downward to 200,000 tons because of drought conditions, high cane burning losses, and a generally slow crushing campaign. At present, prices reportedly are below cost of production.

United States. There have been only minor adjustments in the U.S. sugar outturn since the March estimate was made. In the case of continental cane sugar, the frost damage in Florida was not as great as had been previously estimated. Puerto Rico's estimate has been reduced from 272,000 tons to 248,000 tons as final data showed a disappointing outturn. U.S. sugar beet plantings are down 16 percent for the 1977/78 crop, according to data released on June 30 by USDA's Statistical Reporting Service. This reflected grower shifts to other crops because of reduced water supplies—particularly in California—and low sugar prices. The 1977/78 U.S. cane sugar crop is expected nearly to match the 1976/77 outturn of 2.7 million tons. U.S. sugar imports in 1977 are expected to remain near the 4.1 million tons of a year earlier.

SOUTH AMERICA

Argentina. Output in 1976/77 has been revised downward from the March estimate, but will still be well above the level of the previous year, when frost was a problem. Exports in 1976/77 are expected to be more than double those of a year earlier. The forecast for 1977/78 is for an outturn about the same as last year's with slightly reduced exports, mainly because of higher consumption.

Brazil. There has been no change in the Brazilian estimates. Brazil moved into first place—ahead of the USSR—as a world centrifugal sugar producer in 1976/77. During 1977/78, authorized sugar production is 8.5 million tons, raw value. Of this production, 2.5 million tons will be raw (demerara) sugar for export and the rest for domestic consumption. The central-south region is authorized to produce 4.3 million tons of crystal (refined) sugar for domestic consumption and 900,000 tons of demerara for export. The northeastern region is to produce 1.3 million tons of crystal and 1.6 million tons of demerara. The milling seasons in Brazil are June 1-December 31 for the central-south and September 1-April 30 for the northeast.

Chile. Output has been expanding rapidly and the 1976/77 estimate has been raised. Although beet plantings decreased in 1976/77, this shift was almost compensated for by higher yields. Higher beet yields are reported in 1976/77 because of good growing conditions, increased fertilizer use, and less yellow wilt. Sugar content of 14 percent remained the same as in the previous year. Imports during 1976/77 are placed at 112,000 tons, raw value, and there are some 32,000 tons available for export.

Ecuador. The production estimate was lowered slightly because of a lower sucrose content and strikes in the industry. In 1977/78, exports are expected to rise to about 160,000 tons from only 15,000 tons in 1976/77 because of increased production and stock reduction.

Peru. Output continues to stagnate because of economic and financial problems. In March 1977, the industry was declared in emergency, and five of the 12 sugar cooperatives were placed under Government control. Exports are expected to recover in 1977, however, because of reduced consumption and lower stocks, and should total about 450,000 tons. Sugarcane has been approved for the eastern jungle region and 12,000 hectares are to be planted initially in central Hallaga, near the city of Tarapota.

Venezuela. New data indicate production was less than previously estimated in 1975/76, but was greater in 1976/77. Production recovered in 1976/77 to the 1974/75 level because of an increase in area harvested. Imports of about 200,000 tons are expected in 1976/77, much more than in recent years. Most of this will go into carryover stocks. No imports are foreseen in 1977/78.

EUROPE

European Community. Output in the EC is estimated at 10.5 million tons, raw basis, in 1976/77, compared with 10.1 million tons a year earlier. This increase was encouraged by higher support prices and larger production quotas. The 1976/77 estimate has

been raised for West Germany, where final data indicate better-than-expected yields. The only significant decrease in 1976/77 from the year-earlier total was in France, which was the center of the early summer drought. With production about 500,000 tons above consumption in 1976/77 and 1.35 million tons imported under terms of the Lome Convention, the EC has a surplus. Several hundred thousand tons of 1976/77 crop sugar remain unsold.

Beet area is down about 4 percent for the 1977/78 season, but higher yields are expected to result in a surplus during 1977/78 of 1.5-3.0 million tons. The EC production quota for "A" sugar during 1976/77 was 9.14 million tons and for "B" sugar was 3.2 million tons. The intervention price for most EC white sugar in 1976/77 was 18.79 cents per pound, well above world prices. For 1977/78, the intervention price has been set at 18.61 cents per pound.

France. Producers had another difficult year in 1976/77. Despite larger planted area, output was down considerably from the year-earlier total because of drought. Nevertheless, lagging consumption plus imports of about 385,000 tons resulted in an exportable surplus of some 1.3 million tons. Plantings have been cut back about 5 percent for the 1977/78 beet crop.

West Germany. The production estimate was raised 125,000 tons from the March estimate, mainly because of higher-than-expected sugar content. Plantings are down 3 percent for 1977/78. Sugar consumption has been decreasing in West Germany, and high-fructose corn syrup has been cutting into the sugar market.

Italy. Production reached a record level of 1.75 million tons in 1976/77. Imports were only about 230,000 tons. Prospects are for a much lower sugar outturn in 1977/78 because of a 17 percent decline in beet plantings and heavy rains in northern Italy at the time of seed bed preparation and planting.

United Kingdom. The latest estimate is for 1976/77 production to be slightly above the March estimate of 750,000 tons. Although exports were 12 percent greater in the first 7 months of 1976/77, raw sugar imports were 20 percent larger. Although the area contracted in 1977/78 is the same as actual area in 1976/77, the forecast is for a much larger sugar outturn in 1977/78, assuming favorable weather for the remainder of the season.

Spain. As a result of better beet yields and higher sugar content, the 1976/77 sugar estimate has been revised upward by more than 300,000 tons. Carryover stocks will be above 500,000 tons at the end of 1976/77. Spain is expected to import about 150,000 tons in 1976/77, mostly from Cuba under a standing contract. Planted area is down about 8 percent for 1977/78.

Romania. In 1976/77, some 6.9 million tons of beets were produced on 235,000 hectares. In 1977/78, a record 260,000 hectares have been planted. Government plans call for 8.5 million tons of beet production in 1977/78.

Yugoslavia. Sugar output was a record in 1976/77. Although harvested area remained the same, beet yields and sugar content were up from those of a year earlier. In 1977/78, area has been increased about 4,000 hectares, but sugar production may be below that of 1976/77 because of cold and wet conditions during planting.

USSR. The 1976/77 production of sugar is now estimated at 7.35 million tons. This compares with a March estimate of 7.5 million tons and 1975/76 production of 7.7 million tons. While production of beets was reported at 98.6 million tons and Government procurement at 85 million tons, large quantities were not processed. Beets were damaged by mid-October frosts and further losses occurred later, reportedly because of difficulties with storage and processing. The cumulative outturn of 1976/77 beet sugar through April was 6.76 million tons of refined sugar (7.35 million tons, raw value) with only 6,000 tons produced in April. As domestic consumption is about 11.5 million tons (raw value), imports of sugar in 1977 are expected to be about 4 million tons, compared with the 3-year average for 1973-75 of 2.6 million tons. The planted beet area is about 4,000 hectares less in 1977/78 than a year earlier.

AFRICA

Egypt. Egypt has switched from being a net exporter of about 50,000 tons of refined sugar in the early 1970's to a net importer of as much as 350,000 tons annually. In the last 3 years, India, Latin America, and the EC have made large deliveries of sugar to Egypt. Nevertheless, on October 21, 1976, the Egyptian Sugar Company and the Algerian National Council for Trade signed a long-term trade protocol, under which Egypt will supply Algeria with 40,000 tons of sugar and 6,000 tons of molasses from 1977 until 1980.

Kenya. A big expansion plan for the sugar industry is getting underway. On April 12, 1977, it was announced that the World Bank had approved a $25 million loan to Kenya for increasing sugar production. The Bank-assisted project will increase sugar production by about 60,000 tons a year and make possible foreign exchange savings of perhaps $10 million a year. Further savings will be possible if the production capacity is expanded to handle an additional 30,000 tons as provided under the project. It is estimated that the expansion will create about 4,000 jobs and the incomes of some 4,500 smallholders will be increased. Under the project, a sugarcane production and processing complex will be established in the relatively underdeveloped South Nyanza district, in the western part of the country. The Bank's loan to Kenya is for 20 years, including a grace period of 4 1/2 years, at an annual rate of 8.5 percent.

Sugar production during 1976/77, at 170,000 tons, was approximately 6 percent greater than the 161,000 produced in 1975/76. The total area under cane during 1976/77 is estimated at 50,500 hectares, with a large portion being in smallholdings. Except for Muhoroni, all of the factories have their own nucleus estates, which account for 20-33 percent of the factories' cane supply. Imports of refined sugar declined during 1976/77 to an estimated 23,000 tons.

Mill white sugar output is expected to increase marginally during 1977/78. Since domestic consumption is forecast at the 1976/77 level, imports are expected to decline to 12,000 tons.

Mauritius. The 1976/77 outturn of sugar was up sharply from the previous year, and totaled 731,000 tons. Prospects for 1977/78 indicate a record production level. Some 720,000 tons may be available for shipment in 1977/78, primarily to the United Kingdom, Canada, and the United States.

Morocco. Over the last 10 years, there has been a rapid rise in area cultivated for sugar production as the profit margin is higher than on most other crops. The cultivation of sugarbeets was first tried in 1957 in the Gharb region, and was later extended to irrigated areas in the Tadla, Doukkala, and Moulouya. Cultivation is practiced under contract between the Ministry of Agriculture and the farmers, who are obliged to sell at fixed prices to designated mills. Currently, about 2,000 hectares are in cane. It has been estimated that by 2000, consumption of sugar in Morocco will amount to 1 million tons annually, compared to 500,000 tons presently. To face these growing needs, a sugar plan covering the period 1975-2000 was prepared by the Ministry of Agriculture, calling for irrigation of vast areas to be reserved for the growing of cane and beet, and for the construction of 12 sugar mills.

Ivory Coast. The Ivory Coast continues to forge ahead in its plans to become a major sugar producer and processor. There are six sugar projects in various stages of negotiation, construction, or actual production. The Ferke I complex, which was completed in 1974, reportedly is operating satisfactorily. Ferke II construction is well underway, and all contracting and financing arrangements have been completed. Of four additional projects, Borotou-Karo and Camoe-Serebou are expected to begin operation in December 1978, and Katiola-Marabadiassa and Zuenoula are scheduled to open in December 1979. It is the view in the Ivory Coast that the demand for sugar will rise and Ivorian sugar production of at least 200,000 tons by the early 1980's will have no difficulty finding a market.

South Africa. South Africa produced 2,042,000 tons of sugar during the 1976/77 season, of which 883,000 tons were exported and 1,146,000 tons were sold on the domestic market. Above-average rainfall during the period June 1975-May 1976 helped the South African sugar industry to reach a new production record during the season ended April 30, 1977. Early estimates of the 1977/78 crop put production slightly above the 1976/77 level, but because of a slowdown in domestic consumption, only 1.1 million tons will likely be sold on the local market.

The controlled domestic price of sugar was increased twice during the past season to make up for the industry's loss in earnings on the export market. The local sugar industry's problems developed from the world oversupply situation and the resultant decline in world prices. This situation was rapidly leading to the depletion of the sugar industry's Price Stabilization Fund, created to support the industry in difficult times. Indications are that with domestic price increases, the fund ended the 1976/77 season with the equivalent of about $34.5 million.

Swaziland. After a rapid rise in sugar production, Swaziland seems now to have reached a plateau. Sugar production in the 1976/77 season totaled 208,000 tons, compared with 212,000 tons the previous year. Little or no change in production is expected for the 1977/78 year on some 18,178 hectares.

Sudan. The Sudan adopted a very ambitious plan for expansion of its sugar industry in the early 1970's. If fully implemented, it would place Sudan among the world's leading exporters and make it one of the principal producers. Sugar plantations with about 54,633 hectares are now operating, and four additional plantations with an area of about 85,000 hectares are planned to be in production by 1980. Investment in the sugar industry from 1973-80 will total about $1 billion. Annual exports from projects already in the execution stage could total 500,000 tons by the early 1980's. By the mid-1980's, sugar exports of 1 million tons are planned.

The only private public joint venture in the sugar industry, Kenana, has a marketing agreement with the Government of Sudan that provides that 150,000 tons of its production will be purchased by the Government according to a pricing formula that reportedly guarantees recovery of costs by Kenana. Although present plans call for most of Sudan's cane to be harvested manually, serious shortages of seasonal workers already are being experienced for new sugar plantations. It has been estimated that requirements for mechanized harvesting and cane-handling equipment probably will exceed $50 million in the next 5 years. Transportation could be a bottleneck, even though major efforts have been made since 1973 to improve domestic transportation.

Zaire. The low production of 1976/77 is expected to be improved upon for 1977/78. In 1976, a total of 20,000 tons were imported and in 1977 an estimated 35,000 tons will be required to supplement the unusually low production. The establishment of the sugar estates at Lubilashi in Shaba, Muchie-Pentane in Bandundu, and Luiza in Kasai Occidental is underway. It was announced in March 1977 that the People's Republic of China would finance the Yawenda sugar project. Zaire has to import sugar every year.

The Government of Zaire gave the management of sugar estates back to their former owners in 1976. The Government equity ownership is 40 percent in Kwilu Ngongo and 50 percent in Kiliba. The sugar estates market their own production, and the ONDS (National Sugar Office), the Government sugar policy administration agency, imports and markets all the sugar necessary to supplement domestic production.

ASIA AND OCEANIA

Burma. Sugar output was up about 20 percent in 1976/77 compared with that of 1975/76. Sugarcane area had expanded by about 28 percent in 1975/76. In 1976/77, this increase in area was about 5,000 hectares. Burma has problems with stem-rot disease, but despite these problems, output has increased sharply.

People's Republic of China. Production of sugar for 1976/77 topped that of the previous year. Kwangtung Province, the largest sugar producer on the mainland, extended sugarcane area and increased output by 10 percent. This Province accounts for almost half of mainland China's sugarcane production. Kwangsi Province, producing one-sixth of the country's total cane, increased its output of sugarcane by about 50 percent.

In northeast China, production of sugarbeets showed a big increase during 1976 in Inner Mongolia, and the region is becoming a major beet grower. Kirin Province also has been expanding sugarbeet area.

Sugar production in the PRC for 1976/77 is near a record level. However, the increased cane sugar output may have been offset to some extent by a decrease in beet sugar production in Heilungkiang because of drought.

Republic of China (Taiwan). Sugar production for the 1976/77 crop year is up by 181,000 tons from that of 1975/76, despite dry weather, and could set a post-World War II record. Taiwan has long-term arrangements for furnishing sugar to the world market.

Iran. Sugar output for 1976/77 totaled 750,000 tons, including 660,000 tons of beet sugar and 90,000 tons of cane sugar. As total consumption is estimated at 1.3 million tons, imports will probably amount to about 550,000 tons.

India. The 1976/77 crop was generally satisfactory over all the sugarcane growing states. Mill sugar production is estimated at 4.7 million tons, and khandsari production is expected to reach 1.2 million tons–the same as for 1975/76. The 1976/77 production of noncentrifugal sugar (gur) is estimated at the 6.2 million tons level of the previous year. Sugarcane area for the 1977/78 crop will be about the same as for 1976/77, but the success of the crop will depend heavily on adequacy of monsoon rains. Sugar mills numbered 265 for the 1976/77 season, compared with 253 in the preceding season.

A scheme of excise duty rebates for the sugar industry was put into effect this year to provide incentives to sugar factories to maximize sugar production. The scheme is expected to help factories start crushing earlier in the season, and to be a disincentive for the diversion of cane for manufacture of gur and khandsari. The khandsari type of sugar is finding increasing acceptance not only by bulk consumers but also among individual consumers because of favorable price considerations.

Beet sugar production in India is still in the experimental stage. After initial setbacks, the Ganganagar Sugar Mills, a Rajasthan State Government undertaking, for the first time was able to produce sugar from beets on a commercial scale during 1977. This is the only sugarbeet factory in the country. Reports indicate that sugarbeets can be cultivated in the States of Punjab, Haryana, Rajasthan, Tamil Nadu, Uttar Pradesh, and Maharashtra. Introduction of sugarbeets has been recommended as a supplementary source of sugar production.

Sugar was India's largest foreign exchange earner among agricultural commodities in Indian fiscal year 1975/76 (April-March). Exports of sugar totalled 1.2 million tons valued at $540 million. There has been no formal decision to undertake large-scale exports this year because of the likely impact on the domestic market and the uneconomical international sugar prices. Controlled selling prices of mill sugar are much lower than production costs, and the mills are allowed to sell 35 percent of their production in the free market to make up losses on the other 65 percent, which is marketed at controlled prices.

Japan. Planted area of sugarbeets declined 12 percent in 1976 because of poor production in the previous year and unattractive support prices. Area in sugarcane increased about 10 percent. Total production of sugar for 1976/77 was 532,000 tons, up 22 percent from that of the previous year. Beet sugar was up 34 percent as both yields and sugar content increased, and cane sugar was up 3 percent despite a severe drought in July-August and a typhoon in September.

Consumption for 1976/77 is expected to amount to 2,800,000 tons, or 2.5 percent above the 1975/76 amount of 2,730,000 tons. The 1975/76 crop had been up 2 percent from the previous year's. Imports of sugar are forecast at 2,250,000 tons (refined basis). Japanese sugar companies and/or trading companies have concluded long term contracts with Australia, Cuba, South Africa, Thailand, Brazil, and Taiwan.

To promote production of sugarbeets, the Government has established a target for planted area for the 1977/78 crop at 45,000 hectares. If a village succeeds in planting in accordance with the allocated target area, all producers in that village receive cash incentives for their area. The Government plans to increase the target area to 48,000 hectares in 1978/79 and to 51,000 hectares in 1979/80. In order to support domestic producers, the Sugar Price Stabilization Corporation purchases domestic sugar at a high support level, and resells it at lower prices competitive with imported sugar.

Philippines. There will be a significant reduction in the carryover sugar stock situation by the end of 1976/77. Nevertheless, 1976/77 continues to be a depressing year for the Philippine sugar industry. The composite farm price is low and the Philippine National Bank has lowered the crop loan for sugarcane produced in 1977/78. The result is that the majority of planters are unable to pay off this year's crop loans, and lack sufficient funding to finance normal production inputs for next year's crop. Without an upward adjustment in price in 1977/78, there could be major shifting out of sugarcane production the following year.

Despite a small increase in sugarcane area this year, there was a drop in production. This is attributed to less than optimum weather during the growing and harvesting season, and to slightly reduced application of fertilizer. Another factor may be that farmers delayed harvesting their cane, hoping for higher prices.

The outlook for the 1977/78 crop year is for a small reduction in harvested area, and a possible significant reduction in sugar production. Lack of Government financing will result in less fertilizer application and poorer cultivation practices. There currently are 40 sugar mills operating in the Philippines, with a rated capacity of 170,000 tons of cane per day. Two additional mills each with a rated capacity of 4,000 tons of cane per day will become operational next year.

Philippine exports of sugar will practically double this year to a level of about 2 million tons. The surge in exports will be caused by large shipments to the Soviet Union, the PRC, and private brokers. Contracts reportedly include 600,000 tons of new-crop sugar to the Soviet Union by July 1977; 200,000 tons (50,000 tons per year for 4 years) to the PRC; and 190,000-270,000 tons of refined sugar (4-year delivery period) to Algeria. The above contracts are in addition to the 1.35 million tons for annual delivery to 1980 sold to three U.S. refiners last year.

Stocks at the end of 1976/77 are forecast at 1.237 million tons, compared with 1.542 million tons at the beginning of this season. According to trade sources, the stocks at the end of this crop year will include 75,000-80,000 tons of deteriorated sugar, and 500,000 tons of 1975/76 crop sugar. To help ease the storage problem created by last year's record production and low exports, the Philippine Exchange Company rented additional private warehouses and instructed mills to construct warehouse capacity for at least 40 percent of their annual production.

Thailand. Planted area of sugarcane was up 33 percent in 1976/77, and there was a record harvest. Sugar production was up by 12 percent to a record of 1.8 million tons. Of this amount, about 1.24 million tons will be for export. Indications are that Thailand's sugar industry will show further growth in 1977/78.

Guaranteed producer prices for the current crop of about $15.00 per ton of cane will make for continued interest in growing sugarcane. The Government recently rejected several applications for construction of new mills for fear of surpluses. It now appears that not more than two new mills will come into operation during the next 5 years. However, some small plants are expected to expand crushing facilities to improve production efficiency.

Preliminary statistics show that 1,121,023 tons of raw sugar were exported in 1976, for a value of $336.3 million. Perhaps as much as 50,000 tons were illegally exported. This would mean Thailand's total sugar exports in 1976, of about 1,171,000 tons, were almost twice the level of the previous year. However, because of the drop in world prices, the export value was only 20 percent higher than that for 1975. Japan took about 62 percent of all exports. The PRC, South Korea, the United Kingdom, Netherlands, and Egypt were new customers. Other important markets were Malaysia, the United States, Sri Lanka, and Morocco. It is believed that Thailand will be able to export more than 1.4 million tons of raw sugar in 1977.

Turkey. Sugar production in 1976/77 exceeded the 1-million ton level for the first time, totaling 1.2 million tons. The sugarbeet area increased by about 16 percent over the previous year's. The expanding trend in the sugar industry is expected to continue during the next marketing year. Area as well as production of beets and sugar are expected to be about 4 percent larger than in the past season. Despite an increase of about 10 percent per year in domestic demand, Turkey will be in a position to export. Total contracted beet area for this year is about 278,400 hectares.

No imports of sugar were needed during 1976/77 as Turkey became self-sufficient. Some 5,000 tons were sold to Cyprus, and exports are likely to increase during 1977/78. Producers are demanding a very high rate of increase in the base price of sugar, however, the Sugar Corporation's losses are growing larger because of sharp increases in wages, salaries, and other inputs of manufacturing sugar.

Australia. The final total for the 1976/77 crushing season was 3.4 million tons, or 13.5 percent above the record of the previous season. This was the first time in the history of Australia's 33 sugar mills that more than 3 million tons of raw sugar were processed. Harvesting conditions were generally excellent. The 1976 season was a particularly dry one compared with the wet season of the previous year.

The Australian sugar industry was insulated to some extent from the sharp drop in world sugar prices by fixed prices on home market sales, and firm prices for some 1.2 million tons sold under long-term export contracts. Exports of raw sugar increased 37 percent during calendar year 1976 to 2.6 million tons. About three-fourths of the sugar produced in Australia is now exported.

Harvesting for the 1977/78 year started in early June. No official estimates for the crop have been

given and the full effects of recent flooding in northern Queensland have not been determined. The worst hit areas were in the Babinda and Innisfail districts. Although individual districts could suffer, the overall effects of the heavy rains have been beneficial.

Grower costs for producing cane have been increasing rapidly since 1970. During the 1960's, the industry was able to absorb increasing costs largely through productivity gains. However, the benefits of technology are now starting to level off and further cost savings will be more difficult to achieve. The trend now is to invest in and intensively use very expensive new equipment. The capacity of most mills in Australia has been increased during the current expansion program, but many are still too small to be efficient. The mills have been investing in an attempt to improve crushing rates and to reduce overtime crushing expenditures.

Fiji. Sugar production was up for 1976/77. The 288,000 tons produced will be just enough to fulfill Fiji's long-term sugar contracts to supply the United Kingdom, New Zealand, Malaysia, and Singapore.

Molasses

Mexico. Molasses output was up slightly in 1976/77. With consumption rising to around 650,000 tons, less than 600,000 tons was available for export. Molasses consumption has been rising fairly rapidly as more is being mixed with bagasse for livestock feed.

United States. Revised data indicate that continental molasses output dropped about 5 percent in 1976/77 from that of a year earlier. Meanwhile, production in Hawaii was slightly higher, but Puerto Rico's molasses outturn declined. Imports during 1976 rose to 2.3 million tons, compared with 1.6 million tons in 1975.

Brazil. Molasses output jumped to 3.0 million tons in 1976/77, well above the 2.48 million tons of a year earlier. The exportable surplus in 1976/77 is close to 2.0 million tons.

France. Production declined in 1976/77 from a year earlier. Most of France's supply is consumed domestically. Consumption decreased in 1975/76, but presumably will recover again in 1976/77.

USSR. Output of molasses declined in 1976/77, as did that of sugar. Brazil has now surpassed the USSR as a producer of molasses as well as of sugar.

Sudan. Molasses is probably economically the most important byproduct of sugar. During the coming grinding season, the Kenana mill will produce about 6,000 tons per day of molasses. However, there appears to be no advance plans for the use of molasses.

India. Production of molasses by the mill sector during 1976/77 is estimated at 1.9 million tons, compared with 1.7 million tons in 1975/76. Molasses produced by the mill sector and the khandsari processors using electric or diesel power continues to be controlled by the Government and is utilized primarily for the production of industrial alcohol. There is no price control on export of molasses, but ad hoc releases for export are controlled by the Central Molasses Board. Generally, the domestic supply is inadequate to meet indigenous demand, but exports are authorized in order to earn foreign exchange. During calendar 1976, exports totaled 52,400 tons, with Nepal, Netherlands, the Federal Republic of Germany, United Kingdom, and the United States being the importers.

Japan. Imports of molasses in 1975/76 increased to 938,000 tons, 15 percent above the previous year, and consumption increased by 13 percent. Molasses consumption in 1976/77 is expected to increase 7 percent to 1,180,000 tons.

Philippines. Molasses output in 1976/77 is estimated at 970,000 tons, 8 percent less than the 1975/76 production estimate of 1,050,000 tons. The proportionate drop in molasses production was not as much as it was for sugar.

Thailand. Molasses production could reach 1.16 million tons. Consumption of molasses is now estimated at 300,000 tons and is expected to increase at least 10-15 percent in the next season since industrial use of molasses is expanding, especially in the alcohol-based industry.

Australia. Molasses production during 1976/77 is estimated at 642,000 tons. Domestic consumption is expected to increase again this year and is estimated at 395,000 tons, leaving 278,000 tons for export. The main export markets for molasses are the United States, Japan, and New Zealand.

CENTRIFUGAL SUGAR(RAW VALUE) PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1967/68-1971/72, ANNUAL 1972/73-1976/77 1/
(IN THOUSANDS OF METRIC TONS)

REGION AND COUNTRY	AVERAGE 1967/68-1971/72	1972/73	1973/74	1974/75	1975/76	1976/77 2/
NORTH AMERICA:						
BARBADOS	142	118	110	98	104	112
BELIZE	65	72	90	84	63	98
CANADA	130	146	114	93	120	130
COSTA RICA	149	174	164	177	174	181
CUBA	5,999	5,250	5,800	6,300	6,200	5,800
DOMINICAN REPUBLIC	954	1,142	1,194	1,135	1,249	1,361
EL SALVADOR	141	188	232	257	261	272
GUADELOUPE	136	121	97	87	96	100
GUATEMALA	190	270	325	384	529	532
HAITI	59	65	65	58	56	55
HONDURAS	57	59	73	76	91	113
JAMAICA	399	339	383	366	345	350
MARTINIQUE	29	23	14	16	14	20
MEXICO	2,459	2,769	2,834	2,727	2,722	2,700
NICARAGUA	142	142	160	196	246	248
PANAMA	78	85	108	132	142	181
ST KITTS	30	24	27	26	35	41
TRINIDAD-TOBAGO	231	187	187	162	204	200
US-CONTINENTAL (BEET)	2,994	3,322	2,918	2,645	3,646	3,543
US-CONTINENTAL (CANE)	1,125	1,469	1,253	1,334	1,657	1,517
US-HAWAII	1,084	1,024	944	1,004	953	952
US-PUERTO RICO	400	231	263	271	279	248
TOTAL	16,992	17,220	17,355	17,628	19,186	18,754
SOUTH AMERICA:						
ARGENTINA	909	1,293	1,650	1,532	1,349	1,562
BOLIVIA	106	123	174	207	286	305
BRAZIL	4,836	6,163	6,959	7,400	6,200	7,500
CHILE	184	153	91	217	314	307
COLOMBIA	697	814	850	908	965	882
ECUADOR	218	249	245	268	287	298
GUYANA	341	270	316	305	338	330
PARAGUAY	48	56	73	81	84	90
PERU	806	920	1,020	990	956	960
SURINAM	15	9	10	10	10	10
URUGUAY	54	104	104	112	129	82
VENEZUELA	430	518	526	530	462	539
TOTAL	8,643	10,672	12,018	12,560	11,380	12,865
WESTERN EUROPE:						
EC:						
BELGIUM-LUXEMBOURG	669	689	785	618	722	748
DENMARK	313	342	367	415	422	416
FRANCE	2,541	2,983	3,255	2,948	3,239	2,968
GERMANY, FEDERAL REP. OF	2,109	2,250	2,500	2,438	2,540	2,734
IRELAND	158	169	189	143	199	189
ITALY	1,358	1,253	1,156	1,010	1,402	1,750
NETHERLANDS	742	756	832	778	914	945
UNITED KINGDOM	998	963	1,047	618	695	773
TOTAL EC	8,888	9,405	10,131	8,968	10,133	10,523
AUSTRIA	319	388	370	397	512	391
FINLAND	58	88	85	76	77	85
GREECE	141	129	161	187	307	385
PORTUGAL (AZORES & MADEIRA)	24	30	33	24	25	30
SPAIN	813	832	804	598	934	1,445
SWEDEN	248	292	264	305	277	302
SWITZERLAND	68	67	78	72	65	83
TOTAL	10,559	11,231	11,926	10,627	12,330	13,244
EASTERN EUROPE:						
ALBANIA	16	19	19	20	21	22
BULGARIA	229	230	265	235	250	285
CZECHOSLOVAKIA	749	779	810	850	750	700
GERMAN DEMOCRATIC REP.	528	720	705	700	650	600
HUNGARY	378	330	327	340	350	400
POLAND	1,672	1,829	1,817	1,557	1,950	2,000
ROMANIA	428	577	633	561	560	800
YUGOSLAVIA	430	427	483	554	489	707
TOTAL	4,431	4,911	5,059	4,817	5,020	5,514
TOTAL EUROPE	14,989	16,142	16,985	15,444	17,350	18,758
TOTAL U.S.S.R.	9,228	8,148	9,568	7,730	7,700	7,350
AFRICA:						
ANGOLA	74	82	70	80	60	50
EGYPT	442	590	649	540	620	675
ETHIOPIA	92	144	150	160	165	180
KENYA	112	101	160	165	161	170
MALAGASY REPUBLIC	105	110	115	112	114	118
MAURITIUS	615	686	697	696	496	731
MOROCCO	104	223	248	290	350	360
MOZAMBIQUE	268	365	390	400	243	350
REUNION	229	227	251	239	246	260
RHODESIA	143	200	248	250	265	240
SOUTH AFRICA	1,648	1,915	1,731	1,883	1,801	2,042
SWAZILAND	162	171	190	200	212	208
TANZANIA	89	106	110	96	96	115
UGANDA	150	89	55	27	30	35

--CONTINUED--

CENTRIFUGAL SUGAR (RAW VALUE) PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1967/68-1971/72, ANNUAL 1972/73-1976/77 1/
(IN THOUSANDS OF METRIC TONS)

REGION AND COUNTRY	AVERAGE 1967/68-1971/72	1972/73	1973/74	1974/75	1975/76	1976/77 2/
ZAIRE (CONGO, K)	58	63	64	63	63	46
OTHER 3/	342	387	398	489	555	683
TOTAL	4,634	5,459	5,526	5,690	5,477	6,263
ASIA:						
BURMA	97	120	100	110	110	132
CHINA, PEOPLES REP.	1,864	1,821	2,630	2,400	2,550	2,600
CHINA, REP OF (TAIWAN)	766	780	892	751	819	1,000
INDIA 4/	3,670	4,571	4,949	5,794	5,460	5,950
INDONESIA	737	890	950	1,000	1,050	1,150
IRAN	535	625	660	645	685	750
JAPAN	451	650	653	478	471	574
NANSEI-NANPO (RYUKYU)	212	5/	5/	5/	5/	5/
PAKISTAN	517	470	636	557	630	675
PHILIPPINES	1,809	2,424	2,643	2,466	2,936	2,627
THAILAND	421	649	930	1,060	1,603	1,800
TURKEY	719	811	833	834	986	1,285
OTHER 6/	113	152	236	322	334	369
TOTAL	11,912	13,963	16,112	16,417	17,634	18,912
OCEANIA:						
AUSTRALIA	2,521	2,870	2,592	2,927	2,988	3,390
FIJI	369	375	350	273	272	293
TOTAL	2,890	3,245	2,942	3,200	3,260	3,683
WORLD TOTAL	69,288	74,849	80,506	78,669	81,987	86,585

1/ Crop years are on a September/August basis, but include the outturn of sugar from harvests of several Southern Hemisphere countries which begin prior to September. Refined beet sugar is generally converted to raw value by multiplying by 1.087, while refined cane sugar is multiplied by 1.07 to obtain the raw value equivalent. 2/ Preliminary. 3/ Other Africa includes Afar-Issas, Algeria, Cameroon, Congo (Brazzaville), Ghana, Ivory Coast, Liberia, Malawi, Nigeria, Senegal, Somali Republic, Sudan, Tunisia, and Zambia. 4/ Includes khandsari. 5/ Since January 1, 1972, included in Japan. 6/ Other Asia includes Afghanistan, Iraq, Israel, Lebanon, Malaysia, Nepal, South Korea, Sri Lanka, Syria, and Vietnam. Bangledesh is included in Other Asia beginning in 1971/72.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source material, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

NON-CENTRIFUGAL SUGAR: 1/ PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1967/68-1971/72, ANNUAL 1972/73-1976/77 2/
(IN THOUSANDS OF METRIC TONS)

REGION AND COUNTRY	AVERAGE 1967/68-1971/72	1972/73	1973/74	1974/75	1975/76	1976/77 3/
NORTH AMERICA:						
COSTA RICA	39	40	42	37	40	45
EL SALVADOR	18	10	10	16	16	16
GUATEMALA	48	50	54	52	54	85
MEXICO	114	115	115	65	65	65
NICARAGUA	11	12	14	12	10	10
PANAMA	4	5	6	2	3	2
TOTAL	234	232	241	184	188	223
SOUTH AMERICA:						
BRAZIL	330	210	280	200	200	200
COLOMBIA	688	675	700	557	687	859
ECUADOR	40	40	41	40	40	42
PERU	13	13	13	13	13	14
VENEZUELA	29	26	26	40	38	39
TOTAL	1,100	964	1,060	850	978	1,154
ASIA:						
BURMA	144	140	142	130	135	138
CHINA, PEOPLES REP.	729	740	800	815	820	825
CHINA, REP OF (TAIWAN)	26	26	27	27	27	30
INDIA	6,070	6,500	6,525	6,100	6,200	6,200
INDONESIA	279	150	150	175	200	200
JAPAN	6	13	14	10	12	12
NANSEI-NANPO (RYUKYU)	14	4/	4/	4/	4/	4/
PAKISTAN	817	1,500	1,600	1,345	1,445	1,450
PHILIPPINES	60	60	60	54	54	51
THAILAND	241	290	301	350	370	700
VIETNAM	10	10	10	11	10	10
TOTAL	8,396	9,429	9,629	9,017	9,273	9,616
WORLD TOTAL	9,731	10,625	10,930	10,051	10,439	10,993

NOTE: Due to rounding, may not add to area total.

1/ Non-centrifugal sugar includes all types of sugar produced by other than centrifugal process which is largely for consumption in the relatively few areas where produced. The estimates include such kinds known as piloncillo, panela, papelon, chancaca, radura, jaggery, gur, muscovado, panocha, etc. 2/ Years shown are last year's crop-harvesting season. For chronological arrangements here all campaigns which begin not earlier than September of one year, nor later than August of the following year, are placed in the same crop-harvesting year. The entire season's production of each country is credited to the September/August year in which harvesting and sugar production began. 3/ Preliminary. 4/ Since January 1, 1972, included in Japan.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research and related information.

MOLASSES, INDUSTRIAL: PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1967/68-1971/72, ANNUAL 1972/73-1976/77 1/
(IN THOUSANDS OF METRIC TONS)

REGION AND COUNTRY	AVERAGE 1967/68-1971/72	1972/73	1973/74	1974/75	1975/76	1976/77
NORTH AMERICA:						
CANADA 2/	59	60	48	39	42	45
COSTA RICA	49	60	49	52	56	58
CUBA 3/	1,380	1,385	1,312	1,312	1,364	1,391
DOMINICAN REPUBLIC	324	348	375	365	367	389
EL SALVADOR	62	96	105	99	107	117
GUATEMALA	84	138	168	159	227	238
HAITI	21	21	24	23	22	22
JAMAICA	145	142	137	146	138	140
MEXICO	1,073	1,213	1,240	1,227	1,226	1,238
NICARAGUA	70	70	90	111	118	125
PANAMA	37	36	45	47	53	62
TRINIDAD-TOBAGO	90	88	56	88	66	78
UNITED STATES	1,681	1,625	1,596	1,592	2,121	2,024
US-HAWAII	293	260	286	295	275	280
US-PUERTO RICO	200	92	105	108	111	99
OTHER	159	138	134	185	190	193
TOTAL	5,726	5,772	5,770	5,848	6,483	6,499
SOUTH AMERICA:						
ARGENTINA	371	695	638	612	540	648
BRAZIL	1,634	1,952	2,069	2,950	2,480	3,000
CHILE	40	27	46	46	49	65
COLOMBIA	196	243	256	363	301	280
ECUADOR	62	72	76	107	114	119
GUYANA	147	136	137	120	144	144
PERU 2/	289	340	340	325	327	340
URUGUAY	23	21	30	30	38	27
VENEZUELA 2/	227	281	290	299	227	258
OTHER	38	34	131	164	201	195
TOTAL	3,027	3,801	4,013	5,016	4,421	5,076
WESTERN EUROPE:						
EC:						
BELGIUM-LUXEMBOURG	165	195	154	170	187	175
DENMARK	98	141	159	154	183	180
FRANCE	784	1,200	1,200	1,179	1,295	1,187
GERMANY, FEDERAL REP. OF	571	700	669	712	842	791
IRELAND	38	50	34	34	54	74
ITALY	423	282	420	302	330	340
NETHERLANDS	222	285	250	261	303	330
UNITED KINGDOM	335	412	325	235	255	315
TOTAL EC	2,636	3,265	3,211	3,047	3,449	3,392
AUSTRIA	69	75	77	159	205	156
FINLAND	34	31	31	30	31	34
GREECE	52	75	90	130	130	125
SPAIN	246	271	200	195	285	465
SWEDEN	73	86	90	90	93	102
SWITZERLAND	16	23	21	21	18	26
TOTAL	3,126	3,826	3,720	3,672	4,211	4,300
EASTERN EUROPE:						
HUNGARY	132	159	170	136	140	160
POLAND	461	600	514	514	642	800
ROMANIA	141	215	218	218	180	293
YUGOSLAVIA	158	167	192	200	230	280
OTHER	500	646	611	520	515	642
TOTAL	1,391	1,787	1,705	1,588	1,707	2,175
TOTAL EUROPE	4,518	5,613	5,425	5,260	5,918	6,475
TOTAL U.S.S.R.	2,808	3,400	2,842	2,746	2,735	2,700
AFRICA:						
ANGOLA	18	18	20	32	24	20
EGYPT 4/	180	250	231	237	258	270
MAURITIUS	137	180	129	278	198	292
MOZAMBIQUE	86	110	113	102	90	90
SOUTH AFRICA	489	539	631	605	629	722
OTHER	366	363	390	726	866	860
TOTAL	1,275	1,460	1,514	1,980	2,065	2,254
ASIA:						
CHINA, REP OF (TAIWAN)	214	279	760	233	275	353
INDIA	1,443	1,800	2,000	2,000	1,700	1,900
INDONESIA	207	300	315	315	330	460
IRAN	165	230	228	228	234	300
JAPAN	92	184	180	157	164	166
PHILIPPINES	708	955	1,000	890	1,190	960
THAILAND	388	758	870	681	901	1,160
TURKEY	180	204	236	236	286	381
OTHER	821	1,262	1,082	887	895	1,000
TOTAL	4,218	5,972	6,671	5,627	5,975	6,680
OCEANIA:						
AUSTRALIA	490	586	599	586	620	642
FIJI	85	90	93	93	95	117
TOTAL	575	676	692	679	715	759
WORLD TOTAL	22,147	26,694	26,927	27,156	28,312	30,443

1/ In each country the year of production is the same as that for centrifugal sugar production. 2/ Calendar year; first year shown in heading.
3/ Includes high-test molasses. 4/ May include edible molasses.
Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, other foreign source material, reports of U.S. Agricultural Attaches and Foreign Service Officers, results of office research, and related information.

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